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September 29, 2008

The Honorable Phil Isenberg  
Chairman, Delta Vision Blue Ribbon Task Force  
650 Capitol Mall  
Sacramento, CA 95814

Dear Chairman Isenberg:

Please accept the following comments and recommendations on the third draft of the Delta Vision Strategic Plan on behalf of the California Building Industry Association (CBIA). Since we have previously submitted comments on both the 3<sup>rd</sup> and 4<sup>th</sup> drafts as part of the business and water stakeholders' coalition, we have tried to focus these comments to matters of particular relevance to the homebuilding industry.

#### **Strategy 4.1: Reduce urban, residential, industrial and agricultural water demand through improved water use efficiency and other means.**

On page 30 the Delta Vision Task Force ("Task Force") recommends an expansion of SB 610 requirements commonly referred to as the water supply assessment. A thoughtful review of existing water use data will reveal that such recommendations will do little to increase California's water supply and will only serve to discourage new housing and inhibit economic growth at a time when the state can least afford it.

Specifically, the recommendations prescribe:

- (1) a significant increase in the number of years of projected sufficient water supply and decrease in the triggering threshold, and*
- (2) provide opportunities such as (a) requiring connection fees to vary based on potential per dwelling unit water demands to incentivize aggressive implementation of lower-water fixtures as well as adaption in landscaping expectations and lot sizes, (b) recognition of fully funded localized conservation projects, greywater systems and other extra-ordinary measures in existing communities as sufficient water supplies for new developments"*

CBIA is particularly concerned with Task Force recommendations to "significantly increase the number of years of projected sufficient water supply and decrease

*the triggering threshold.*" The author(s) of this proposal appear to ignore the many factors which led to the enactment of California's historic land use water planning laws in 2001 – SB 221 and SB 610. With the passage of this legislation water supply and land use planning became inextricably linked. Under SB 610 water agencies are required to perform a project specific water supply assessment (WSA) under the California Environmental Quality Act (CEQA) for large residential housing developments. SB 221 requires a separate verification prior to tentative map approval by a city or county of housing projects consisting of 500 units or greater. A sufficient water supply must be demonstrated over a 20 year period.

The out year supply requirement of 20 years was utilized because it coincided with both General Plan land use planning and with the long term water planning performed by water agencies and contained in their Urban Water Management Plan (UWMP). Indeed, the UWMP which underlies the WSA requires urban water suppliers to quantify existing and planned sources available to supplier over 20 years in five year increments. This timeline also takes into careful consideration the practical limitations associated with forecasting future water supplies while allowing sufficient opportunity to develop future resources. We recommend that the Task Force omit this recommendation in a subsequent draft.

Similarly, the 500 unit threshold for triggering of SB 610 and SB 221 requirements was arrived at only after years of thoughtful consideration and debate. The intent of this legislation was to analyze the sufficiency of water supplies for developments of regional significance using the same threshold required under CEQA. To put things into perspective, California's annual state water demand now eclipses 83 MAF. According to recently released data from the California Research Bureau – annual water demand for new housing between 2004-2006 was less than 80,000 AF or one one-hundredth of statewide water use. Given this information it is difficult to justify the additional water planning scrutiny and increased costs proposed by the Task Force on residential development.

CBIA is equally troubled by the following recommendation which could force new homebuyers to finance water conservation improvements in existing communities. *"(b) recognition of fully funded localized conservation projects, greywater systems and other extra-ordinary measures in existing communities as sufficient water supplies for new developments"*

As you know, California homebuilders have made tremendous strides in reducing water demand in new housing developments. Through increased use of water conservation devices, including many voluntary measures - we now build the most efficient homes in the nation. We are also supportive of the expanded use of recycled water and greywater systems, when the infrastructure is available to

new development from water and wastewater agencies. However, we strongly oppose efforts that would unfairly impose costly mitigation requirements upon new homebuyers.

Last year, a similar proposal, AB 2153 was soundly defeated in the Legislature. Such mandates, particularly ones that may not be cost-effective, or that ask someone in a water efficient home to pay for someone else's water conservation, are punitive in nature. In turn, they create resentment which is counter-productive to promoting water conservation.

Yet, while CBIA agrees that incentive based approaches are the most effective means of promoting water use efficiency, we believe the consumption based water connection fee recommendation from the Task Force is off target. First, water connection fees are established by individual water agencies and not left to the discretion of the builder or other outside agencies. Fees collected are used to reimburse the retail water agency for the actual cost to extend water lines and establish the new water connection. Allowing the imposition of additional charges, beyond the actual connection costs would equate to a tax on new housing. Additionally, we believe it would be inappropriate to use the water connection fee to determine residential lot sizes or landscaping designs in new subdivisions.

CBIA recommends that the Task Force continue to focus on comprehensive strategies and investments to upgrade the reliability of our state's water infrastructure through increased storage capacity and water conveyance improvements. This approach will allow us to achieve a safe, reliable water supply and meet the needs of our growing population and future economy.

We also strongly support state efforts to improve water conservation, but the Task Force should not disproportionately burden new development. We will continue to do our share, but the Task Force should not recommend policies to stop new development under the guise of "water conservation." California's population and need for new housing will continue to grow. The Task Force should recommend policies to provide the water infrastructure to serve the next generation in a responsible and equitable manner.

We thank you for your attention to our comments.

Sincerely,

A handwritten signature in dark ink, appearing to read "Steve E. LaMar", is written over a light blue horizontal line.

Steve LaMar  
Chairman, Water Resources Committee